

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1710 - SB 2698**

February 19, 2018

**SUMMARY OF BILL:** Requires a police department to take possession of, release the hold of, or pay towing and storage fees to towing companies for certain vehicles.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$250,000**

**Increase Local Expenditures – Exceeds \$500,000\***

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 55-16-103, “police department” is defined as the Tennessee Highway Patrol (THP), any sheriff department, or any police department.
- Under current law, pursuant to Tenn. Code Ann. § 55-16-107, a police department may execute a written waiver stating the garage or towing firm who has possession of an abandoned, immobile, or unattended vehicle has a right to sell the vehicle.
- The proposed language would require a police department to issue such a waiver within 15 days of a garage or towing firm taking possession of an abandoned vehicle or take possession of the vehicle and pay towing and storage fees to the garage or towing firm.
- The proposed language would limit the amount of time a police department could require a garage or towing firm to hold a vehicle which was not abandoned to seven days. After seven days the police department would be required to release the hold on the vehicle, take possession of the vehicle, or pay storage fees to the garage or towing firm.
- Based on information provided by the Department of Safety (DOS), in 2017 for the Nashville District of the THP, five vehicles had holds placed on them, for an average length of 50 days each, pending charges being filed by the District Attorney, while three vehicles are currently being housed at towing firm lots due to a lack of space at DOS storage lots.
- For any instance in which a police department cannot authorize the sale of an abandoned vehicle, release a hold on a vehicle within seven days, or take physical possession of the vehicle due to a lack of storage on their own lots, the police department will be required to pay storage fees for the vehicle.
- Due to multiple unknown variables such as the number of vehicles which garage or towing firms will take possession of annually, the extent of any rates charged per vehicle per day, and the length of time such vehicles will be stored on garage or towing firm lots

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for which a police department will be required to pay, a precise increase in state and local government expenditures cannot be determined; however it is reasonably estimated to result in a recurring increase in state expenditures exceeding \$250,000 and a mandatory recurring increase in local government expenditures exceeding \$500,000.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jrh